

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOCKETED
JAN 29 2003

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

PACIFIC FIRST BENEFIT, LLC,
KEY NATION BENEFIT, LLC,
FIRST FEDERAL BENEFIT, LLC,
FEDERAL CREDIT SERVICES, LIMITED, and
ALEX ORPHANOU, individually,

Defendants.

Civil Action No. 02C 8678

Judge: Norgle

Magistrate: Brown

FILED

JAN 27 2003

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

ANSWER

Defendants, PACIFIC FIRST BENEFIT, LLC, KEY NATION BENEFIT, LLC,
FIRST FEDERAL BENEFIT, LLC, FEDERAL CREDIT SERVICES, LIMITED,
(collectively, the "corporate defendants") and ALEX ORPHANOU, answer the
complaint as follows:

1. Admitted.
2. Admitted.
3. Admitted.
4. Denied that PACIFIC FIRST BENEFIT, LLC is a corporation. The remainder
is admitted.
5. Denied that KEY NATION BENEFIT, LLC is a corporation. The remainder
is admitted.
6. Denied that FIRST FEDERAL BENEFIT, LLC is a corporation. The
remainder is admitted.

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7. Admitted.

8. Admitted that ALEX ORPHANOU is the owner and principal of the business entities named as co-defendants in this action. As to the remainder, ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

9. Admitted as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

10. Admitted that the corporate defendants made unsolicited outbound telephone calls to consumers throughout the United States. Denied that such calls started in February 1999. Denied that the corporate defendants offered to provide pre-approved, low interest credit cards to consumers and that they represented the credit cards have no annual fee. Admitted that the corporate defendants targeted consumers with no credit or bad credit. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

11. Admitted as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

12. Admitted that the corporate defendants debited the bank accounts of consumers who provided their bank account information. The corporate defendants deny the remainder. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

13. Admitted as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

14. Admitted as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

15. Admitted that the corporate defendants do not provide consumers with credit cards or other extensions of credit to consumers. Admitted that the corporate defendants are not authorized by "Visa" or "MasterCard" to issue credit cards. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

16. Admitted that thousands of consumers paid the corporate defendants a fee ranging from \$175.00 to \$199.00. Without knowledge as to the number of consumers that received credit cards. Denied that the corporate defendants promised or otherwise guaranteed consumers that they would receive a credit card. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

17. Admitted.

18. Admitted.

19. Denied as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

20. Admitted.

21. Denied as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

22. Admitted.

23. Admitted.

24. Admitted.

25. Admitted.

26. Admitted.

27. Denied as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

28. Denied as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

29. Denied as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

30. Denied as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.

31. Denied as to the corporate defendants. ALEX ORPHANOU hereby invokes his privilege against self-incrimination under the 5th Amendment to the Constitution of the United States of America.


32. Admitted.

33. All allegations of the complaint not specifically admitted herein are denied.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was faxed and mailed this 16th day of January, 2003 to Karen D. Dodge, Esq., counsel for plaintiff, at 55 East Monroe Street, Suite 1860, Chicago, Illinois 60603:

COVE & ASSOCIATES, P.A.
25 South 21st Avenue
Hollywood, FL 33020
Telephone: (954) 921-1121
Facsimile: (954) 921-1621
e-mail: hel@covelaw.com

By: 
Hector E. Lora, Esq.
Fla. Bar No. 0755842